



College of Business
Center for Business
and Economic Analysis



Wyoming Outdoor
Recreation, Tourism and
Hospitality Initiative
(WORTH)

The Economic Impact of the Wyoming State Fair and Fairgrounds

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Center for Business and Economic Analysis

The Center for Business and Economic Analysis (CBEA) at the University of Wyoming (UWyo) supports the economic growth and diversification of Wyoming's economy through applied economic and business analytics for communities, industries, and entrepreneurs. The center was established in 2019 as a unit within the College of Business. CBEA is a member of the Association for University Business and Economic Research (AUBER).

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1 EXECUTIVE SUMMARY

The Wyoming State Fair (WSF) requested that the Center for Business and Economic Analysis (CBEA) conduct an economic impact study of the Wyoming State Fair, other events that occur at the Wyoming State Fairgrounds, and a proposed construction project enclosing the Silver Arena – one of the event spaces at the fairgrounds. The WSF provided data on visitors to the Fairgrounds, the operational budget of the WSF, and the cost and revenue impacts of the construction project. Using this data, the CBEA conduct input-output analyses of each economic activity using IMPLAN to calculate direct, indirect, and induced economic impacts.

When including direct, indirect, and induced impacts, WSF operations support about 24 jobs, \$629,246 in labor income, \$749,760 in value added, and \$2,616,572 in economic output. WSF operations support \$173,956 in total tax revenues, though most of these are at the federal level at \$144,463. At the state and local level, WSF operations support \$29,493 in taxes.

Spending by visitors to both the WSF and all other events held on the fairgrounds is estimated to support between 9.92 and 18.89 FTE jobs, \$280,787 and \$533,867 in labor income, \$483,000 and \$918,340 in value added, and \$878,042 and \$1,669,443 in output. Visitors to the WSF and events on the fairground are estimated to generate between \$103,132 and \$196,085 in local, county, and state taxes, and an additional \$70,735 to \$134,491 in Federal taxes.

When including direct, indirect, and induced impacts, enclosing the Silver Arena is expected to support 176.17 jobs, \$12,652,363 in labor income, \$14,056,348 in value added, and \$23,884,059 in output. Enclosing the Silver Arena is expected to contribute \$3,402,115 to total tax revenues, though most of this is at the federal level at \$2,846,203. Construction on the Silver Arena is expected to contribute \$555,913 to local, county, and state tax revenue.

Increased WSF revenues following the enclosure of the Silver Arena are estimated to support between 7.1 and 11.03 additional FTE jobs, \$165,696 and \$228,293 in labor income, \$165,696 and \$261,037 in value added, and \$357,314 and \$512,089 in output. Additionally, tax revenues are expected to increase between \$47,805 and \$63,206, though most of that is at the Federal level. State, county, and local tax revenues are expected to increase by \$6,870 and \$9,097.

Each additional equestrian event held on the fairgrounds is expected to increase economic impacts by 0.74 to 1.95 FTE jobs, \$20,917 to \$49,583 in labor income, \$35,982 in value added, and \$65,415 to \$154,810 in output. Total tax revenues are expected to increase by \$12,946 to \$22,096 per equestrian event, while local, county, and state tax revenues are expected to increase by \$7,677 to \$13,103 per equestrian event.

The remainder of the report elaborates on the findings in the Executive Summary. Section 2 introduces the WSF and its national reach as demonstrated through visitation. Section 3 describes the data and methodology used to estimate economic impacts. Section 4 reports the results. Section 5 discusses the limitations of the methodology and appropriate interpretation of the results. Section 6 concludes.

2 INTRODUCTION

2.1 PURPOSE

The Wyoming State Fair (“WYSF”) celebrates both the past and future of Wyoming. The primary purpose of the Fair is to annually celebrate the economic, cultural, and institutional strengths found in Wyoming. Special emphasis is placed on agriculture and youth, which serves as one of the largest industries in Wyoming. Taking place in August each year, the Fair offers various forms of affordable entertainment and amusement for all attendees. In addition, the Fair focuses on talents, skills, and aspirations of Wyoming youth.

- *The Wyoming State Fair Master Plan (2020)*

The WSF has celebrated Wyoming’s culture since its founding in 1905. Held on the Wyoming State Fairgrounds in Douglas, WY each year in August, the WSF showcases agriculture, craftsmanship, entertainment, and culture from around the state. In addition to the many exhibitions, competitions, and shows held during the fair, the state fairgrounds play host to events year-round, including rodeos, demolition derbies, agriculture and trade shows, equine events, and many others.

The WSF and non-fair events held at the fairgrounds contribute to the economy of Converse County through both fair operations and visitation. The WSF has an annual budget of approximately \$1.8 million,¹ which it uses to pay full-time employees, contractors, and seasonal workers, maintain fairground property and equipment, and buy supplies needed to host events. This spending has ripple effects in Converse County that are estimated in this report using input-output modeling.

Visitors to the WSF and other fairground events also spend money in Converse County. The fairgrounds saw between 3,219 and 6,124 overnight visitors in 2023.² These visitors bring in spending to Converse County that supports local businesses and residents. Like operating expenses, visitor spending has ripple effects in Converse County as lodging providers, restaurants, retailers, and other travel-related businesses pay their employees and suppliers.

The WSF is also considering a major facilities improvement that would enclose the Silver Arena, one of the outdoor livestock and equestrian arenas at the WSF. Construction on the Silver Arena will generate temporary economic impacts as construction crews and contractors are paid and materials and supplies are purchased. Once construction is completed, the WSF expects to attract more equestrian events to the fairgrounds, generating more revenue, expanding the WSF’s operating budget, and attracting more visitors to the WSF.

¹ Personal correspondence with WSF staff.

² Calculated from Placer.ai visitation estimates provided by the WSF.

This report uses IMPLAN, econometric input-output modeling software, to estimate the full economic impacts to Converse County of fair operations, visitor spending, construction, and increased spending and visitors to the fair after construction. The remainder of the introduction characterizes the impact the WSF through visitor counts.

2.2 VISITORS TO THE STATE FAIR

The WSF provided the CBEA with information on visitation to the state fairgrounds as estimated by Placer.ai from cellphone location data. This section highlights some key features of this visitation data.

The WSF and other events held at the state fairgrounds attract visitors from within Wyoming and from around the U. S., generating significant economic activity in Converse County. The WSF is the largest event held at the state fairgrounds by a large margin, with 18,534 visitors in 2023, compared to 9,315 visitors to all other fairground events in 2023. However, events held outside of fair-times tend to attract a greater percentage of visitors from out of state than the WSF – 33.24% compared to 12.28% in 2023.

Figure 2.1 maps visitation by state for the WSF in 2023 and Figure 2.2 maps visitation by state for non-fair events in 2023. The two figures show that the two primary drivers of visitation to the WSF are distance and population. After Wyoming, Colorado and Nebraska are the most important sources of visitors to both the WSF and non-fair events. This is expected given the state fairgrounds are 77 miles from the Nebraska state line and 142 miles from the Colorado state line. South Dakota may be underrepresented at the WSF, as it is only 114 miles to the South Dakota state line, but only 106 people from South Dakota visited the WSF, nearly half as many as visited from Nebraska at 198. For non-fair events, South Dakota is nearly as well represented as Nebraska with 306 visitors compared to 332. More populous states also drive visitation as distance increases. California had 174 visitors to the WSF and 134 visitors to non-fair events. Texas is well represented with 153 visitors to non-fair events, though it only had 67 visitors to the WSF.

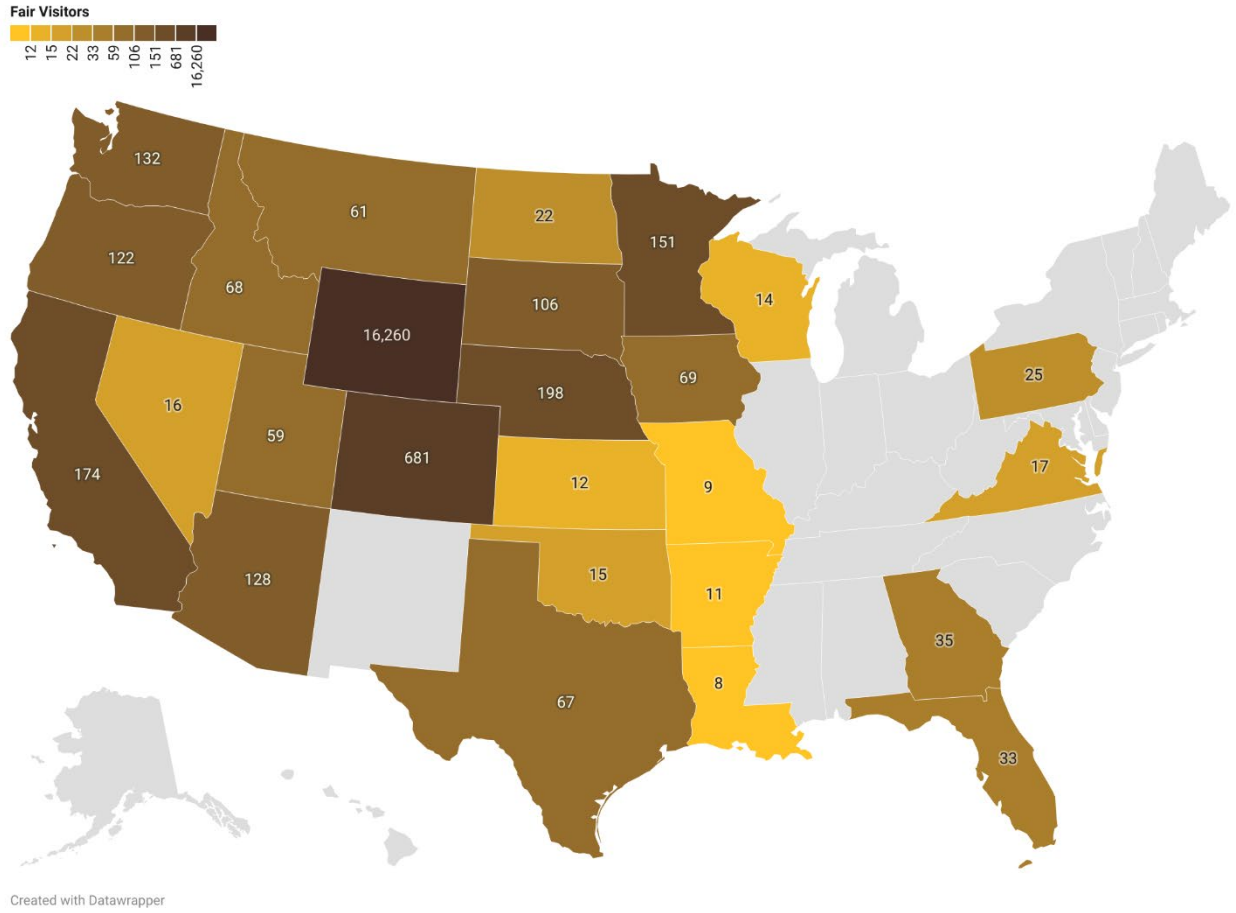


Figure 2.1: Visitors to the 2023 WSF by state.

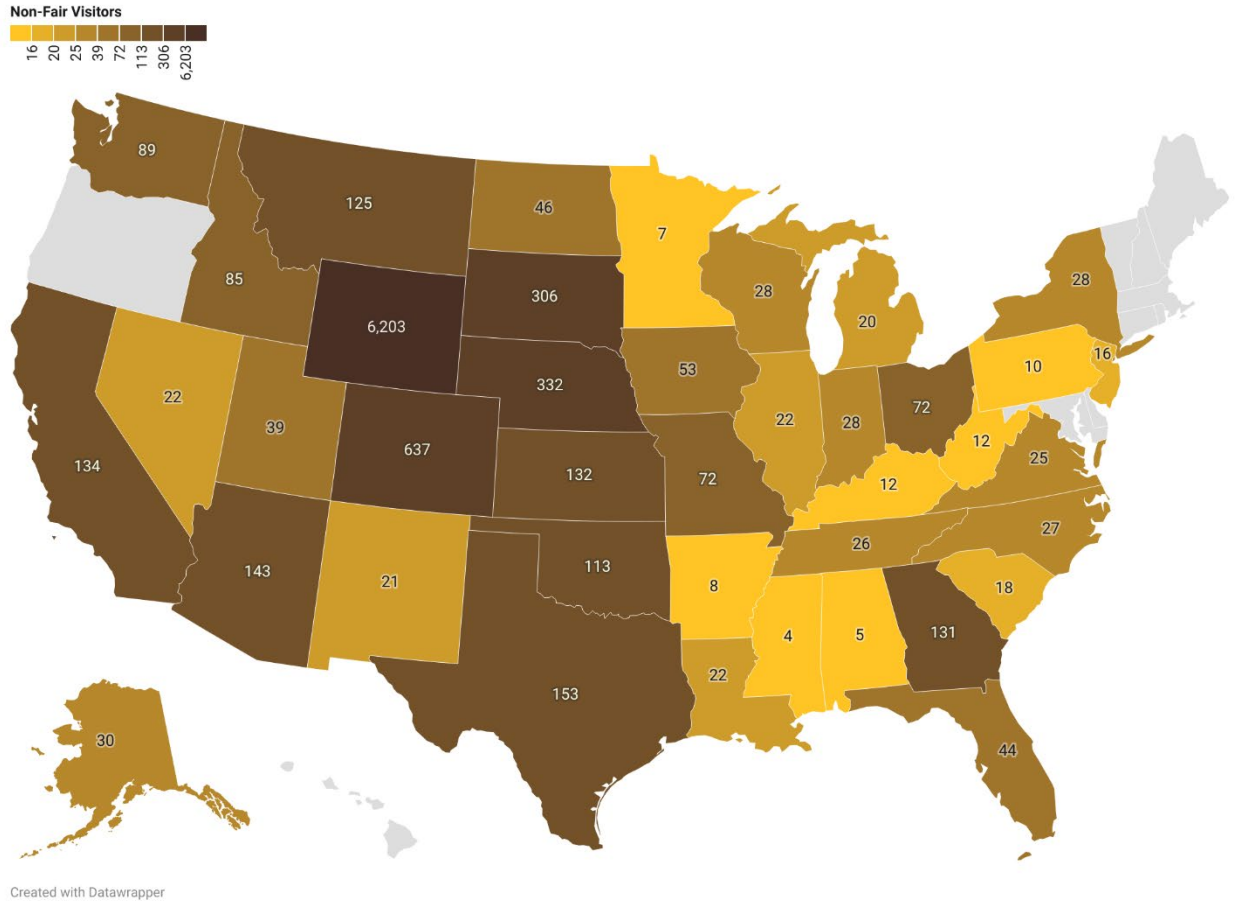


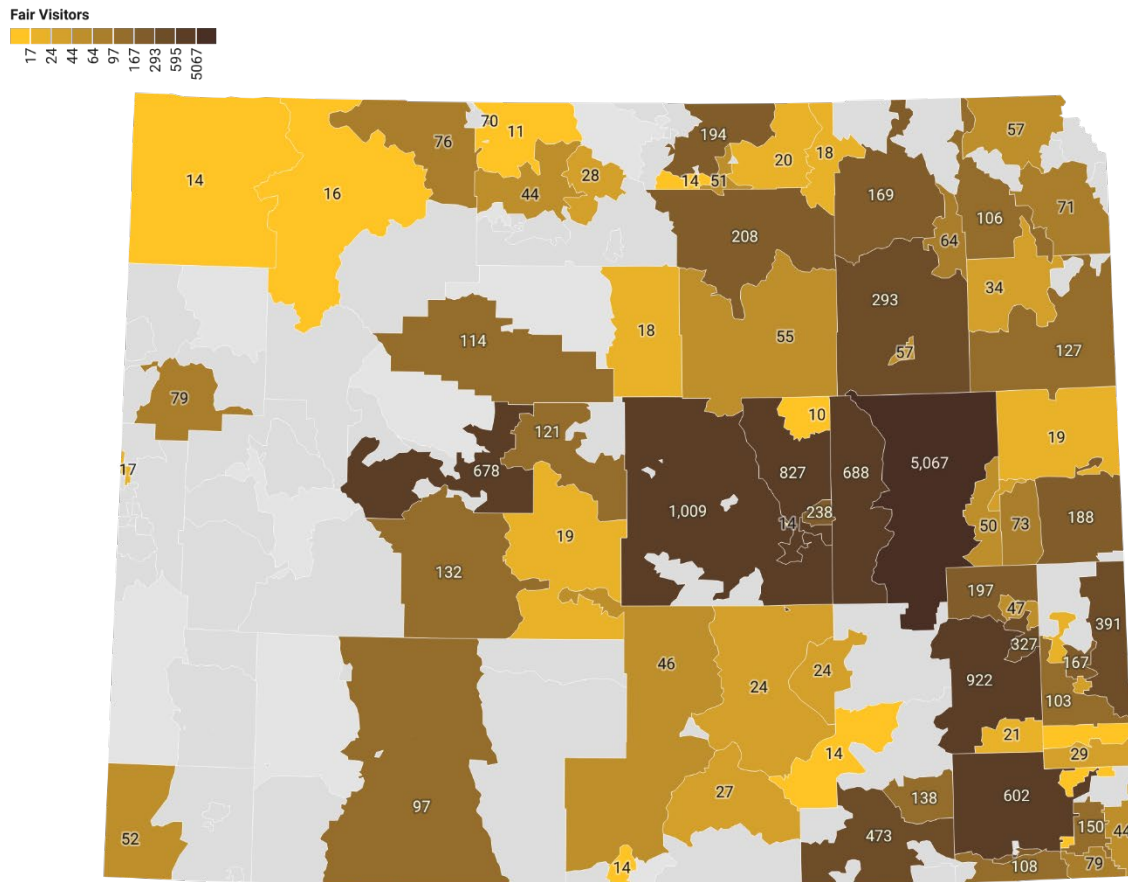
Figure 2.2: 2023 Visitors to non-Fair events by state.

The difference in out-of-state visitation is likely due to the nature of the events at the WSF. As a celebration of Wyoming culture, the events tend to center around and appeal to Wyomingites over people from other states. Other events held at the state fairgrounds, however, likely appeal to a broader audience. Non-local visitors are more important to the economic impact of the state fairgrounds as visitors tend to bring in and spend money in the local economy. In contrast, local visitors to the state fairgrounds are likely to spend less money in the local economy and, more importantly, the money they do spend would likely have been spent in the local economy anyway, leading to a redistribution of economic impacts rather than an increase.

Figure 2.3 shows visitors to the 2023 WSF by ZIP code in Wyoming and Figure 2.4 shows total visitors to the Fairgrounds from Wyoming by ZIP code for all of 2023. Visitation to the fairgrounds is concentrated in the WSF’s own ZIP code (5,067 visitors to the WSF and 6,807 total visitors in 2023 for ZIP code 82633). Wyoming’s population centers are also well represented, with large numbers of visitors from in and around Casper and Cheyenne.

Due to estimation differences between Figure 2.3 and Figure 2.4, exact values between the two cannot be directly compared. However, some overall observations between the two stand out.

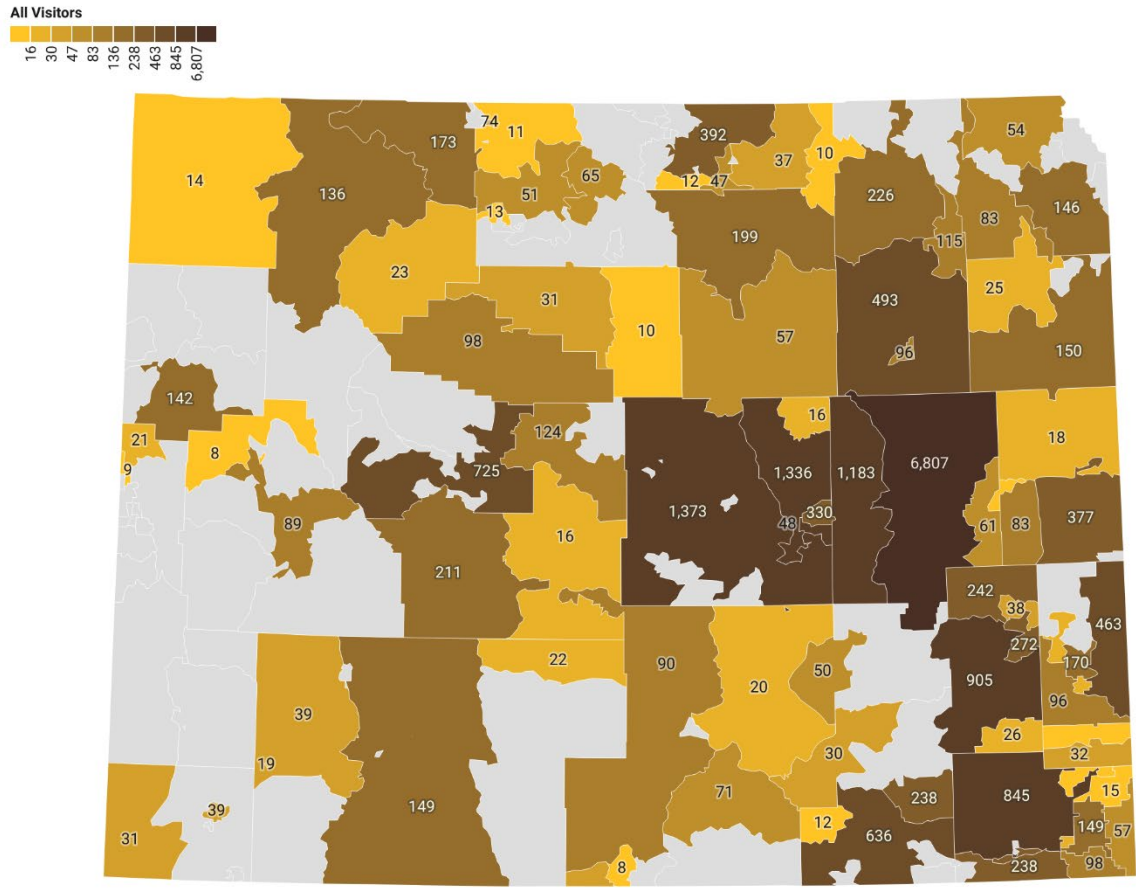
The main observation that can be made from these two Figures is that, like national visitation, distance is a primary factor in determining numbers of visitors as ZIP codes that are further away saw less visitation. Another feature the two maps share is the relatively high visitation from ZIP code 82501, which is where Riverton is located and is entirely within the Wind River Reservation.



Map data: © Esri, TomTom North America, Inc., United States Postal Service • Created with Datawrapper

Figure 2.3: Visitors to the 2023 WSF from Wyoming by ZIP code.

There are some inconsistencies in visitor counts between the two maps whose cause would need to be examined more closely. For example, despite being approximately the same population and distance, Placer.ai estimates that only 16 people from Cody attended the WSF, compared to 79 from Jackson. However, Placer.ai estimates that the total visitors from Jackson and Cody were approximately the same in 2023 at 142 and 136, pointing to possible estimation issues rather than actual differences in visitation. Other ZIP codes show higher visitor numbers for the 2023 WSF than for all of 2023, an issue that could only be caused by estimation errors.



Map data: © Esri, TomTom North America, Inc., United States Postal Service - Created with Datawrapper

Figure 2.4: Visitors to all fairground events in 2023 from Wyoming by ZIP code.

Visitation to the WSF over time has remained relatively stable. Figure 2.5 shows visitors per year from 2017 to 2023 and a linear trend line.

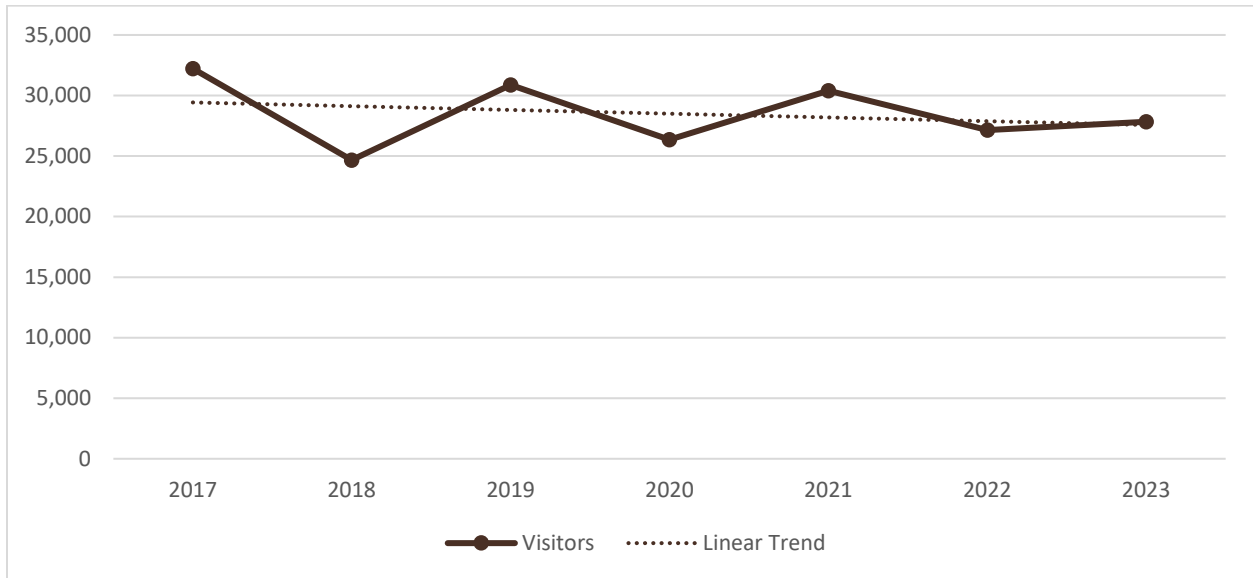


Figure 2.5: Annual visitors to the fairgrounds from 2017 to 2025.

Figure 2.5 shows that the fairgrounds largely escaped the dip in visitation experienced by other destinations in 2020 due to COVID-19, likely because much of the fair visitation is local and many of the events are outdoor. The linear trend shows a slight decline in visitation year-over-year – about 309 people per year. However, with only 7 years of data, it is not possible to say if this is a true trend or simply noise in the data.

Figure 2.6 breaks out visits to the fairgrounds since 2017 by month. Note that Figure 2.5 and Figure 2.6 are not directly comparable, as Figure 2.5 shows *visitors* per year, while Figure 2.6 shows *visits* per month due to data limitations in Placer.ai. Nevertheless, Figure 2.6 shows that visits per month are concentrated in August when the WSF is held. Figure 2.6 also shows that 2019 saw the highest visitation to the WSF among all years in the figure.

The next section describes the data provided by the WSF and the methodology used to estimate total economic impacts.

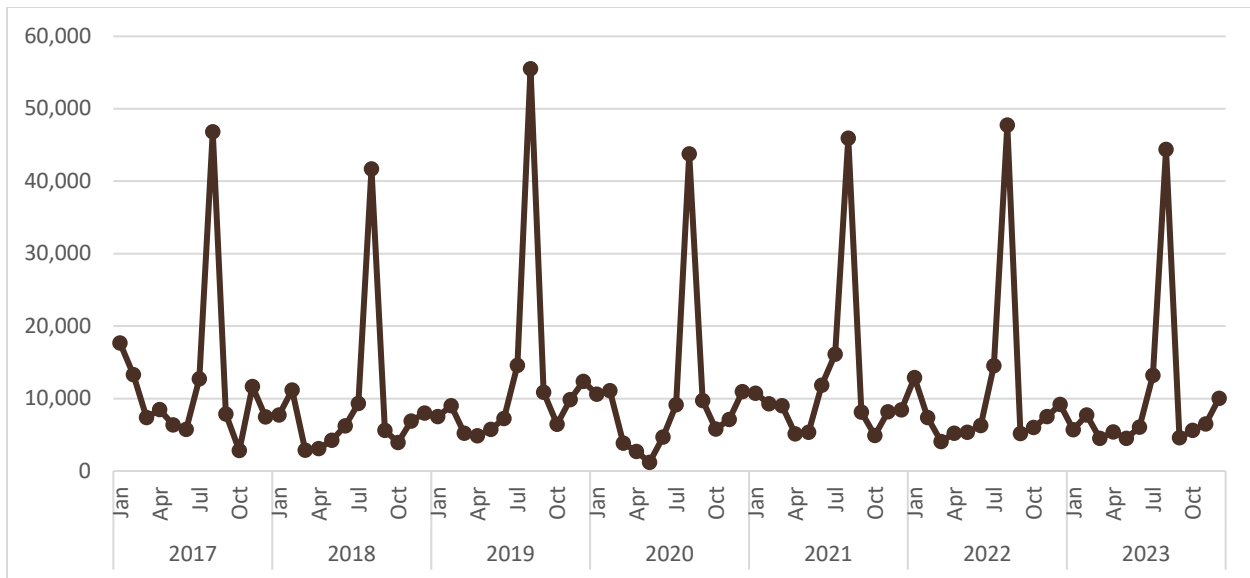


Figure 2.6: Visits to the fairgrounds by month from 2017 to 2023.

3 METHODOLOGY

This report estimates three kinds of impacts: Direct, indirect, and induced impacts. *Direct* impacts are the direct spending in the economy generated by the WSF’s activities and by visitors to the WSF. These include purchases from local vendors by the WSF, salaries and wages paid to WSF employees, and purchases by visitors from local vendors. *Indirect* impacts are those generated from the money received by suppliers as they use those funds to purchase from other suppliers as well as purchases made by suppliers further up the supply chain until the money spent by the WSF or visitors eventually exits the local economy through purchases from suppliers outside the region being examined. *Induced* impacts are spending in the local economy by employees of the WSF and its supply chain. For more information on direct, indirect, and induced impacts, see Appendix B

This report estimates both the current economic impacts of the WSF and the possible future impacts after the construction of a new arena on the fairgrounds. Current impacts stem from two sources. First, State Fair operations result in impacts as the State Fair spends money in Converse County. Second, the State Fair attracts visitors from around the U.S. that spend money in Converse County. Future impacts are split into permanent and temporary impacts. Permanent impacts are calculated based on estimated increases in visitation and increases in the WSF budget after enclosing the Silver Arena. Temporary impacts are calculated from the construction expenses incurred by the WSF as the arena is built. Note that all dollar amounts are reported as 2023 dollars, the most recent year for which the WSF has data.

3.1 FAIR OPERATIONS

The CBEA requested expenditure data from the WSF that serves as the basis for estimating economic impacts from WSF operations. The WSF indicated that its annual budget is \$1.8 million.³ The WSF also reported its total employment as shown in Table 3.1.

Table 3.1: Total workers by category and conversion to FTE

Category	Raw Workers	Conversion	FT equivalent
FT Staff	8	1:1	8
FT Contract	2	1:1	2
PT Staff	4	2:1	2
Seasonal/Fair time Contract	400	52:1	7.7
Total	N/A	N/A	19.7

Workers are converted to full-time equivalent units to be input into IMPLAN. Part-time workers are considered to be half a full-time equivalent worker, while seasonal and fair-time workers are considered to be 1/52 of a full-time equivalent worker, as the fair lasts approximately 1 week. This may underestimate the number of workers supported by the WSF as some seasonal and fair-time workers likely work for longer than 1-week, but without more information on the hours worked by seasonal and fair-time workers, 1/52 FTE per worker is a conservative estimate. The CBEA input this amount into IMPLAN as an impact to industry 504 – other amusement and recreation industries.

3.2 CONSTRUCTION

To estimate the temporary economic impact of construction, the CBEA uses budgeting information provided by the WSF. The CBEA maps the expenditures into IMPLAN industries so that they can be input into IMPLAN. Table 3.2 presents the expenditures mapped onto IMPLAN industries.

Table 3.2: Construction expenses by IMPLAN industry

Cost	IMPLAN industry specification	Value
Construction	55 - Construction of new commercial buildings	\$ 19,256,720
Professional Fees	457 - Architectural, engineering, and related services	\$ 1,237,000
Equipment	393 - Wholesale commercial equipment and supplies	\$ 150,000
Furnishings	393 - Wholesale commercial equipment and supplies	\$ 694,050
Art	499 - Independent artists, writers, and performers	\$ 168,810
Technology	393 - Wholesale commercial equipment and supplies	\$ 50,000

³ Personal communication with WSF staff

It should be noted that the construction expenses and impacts in this report are *total* impacts. Impacts per year may be lower as construction on the Silver Arena may take more than one year to complete.

3.3 VISITORS

In addition to direct operations by the WSF, the CBEA also calculates the impact of visitors to both the WSF and events held at the fairgrounds throughout the year. The WSF provided visitation information from two sources, admissions scans by the WSF and visitation modeled through cellphone location data by Placer.ai. The CBEA noticed significant discrepancies in the two sources of visitation data. For example, as calculated by Placer.ai, the total number of visitors to the State Fair in 2023 was 18,534, while the total number of admissions scans by the WSF was 11,001. Correspondence with the WSF indicated that admissions scans likely underestimate visitation as there are certain visitors who do not have the same admission credentials – 4H participants, Future Farmers of America participants, and fair time contractors, for example. In addition, the WSF indicated that some visitors bypass gate security and sneak into the fair without an admissions scan. For these reasons, the CBEA chose to use the Placer.ai visitation data rather than admissions data in calculating visitor impacts.

In estimating visitor impacts, it is important to capture only the spending by visitors from outside the area under consideration, because spending by visitors from the local area would likely have been spent within the local economy anyway – leading to double-counting of economic impacts. Additionally, without data on spending by fairgoers, the CBEA must rely on spending information from outside sources. The Wyoming Office of Tourism (WOT) commissions an annual study on travel and tourism impacts (hereafter the Dean Runyan report) that calculates spending by overnight visitors for each county, as well as spending for industry categories by visitors. Table 3.3 shows the estimated spending per visitor-trip by overnight visitors split into industry categories for 2022 and 2023. Note that 2022 spending is adjusted to 2023 dollars. In 2023 dollars, spending per person declined 11.3% from \$345.28 to \$306.

Table 3.3: Visitor spending per overnight visitor

Spending Category	IMPLAN Industry	Year	
		2022	2023
Accommodations	507 - Hotels & motels, including casino hotels	\$72.69	\$71.47
Food Service	509 - Full-service restaurants ⁴	\$85.75	\$77.28
Food Stores	406 – Retail – food & beverage stores	\$31.80	\$27.70
Local Tran. & Gas	408 – Retail – gasoline stores	\$56.22	\$49.59
Arts, Ent. & Rec	504 – Other amusement & entertainment industries	\$45.43	\$38.42
Retail Sales	411 – Retail – General merchandise stores	\$53.38	\$41.54
Total		\$345.28	\$306.00

Because the WOT report only calculates spending for overnight visitors, the CBEA must estimate the number of overnight visitors from the Placer.ai visitation data. Placer.ai does not have the ability to distinguish between overnight visitors, day-trippers, and locals. However, it does have information on the ZIP code of origin of visitors. The CBEA estimates two scenarios. In the first, visitors from more than 50 miles away are assumed to be overnight visitors. In the second, visitors from more than 100 miles away are assumed to be overnight visitors.⁵ As the set of all visitors from over 50 miles away contains all visitors from over 100 miles away, the former results in a much higher estimate of economic impacts. Results from both counting methods are reported as “high,” and “low” estimated impacts. Table 3.4 shows the estimated visitors and overnight visitors for the WSF and non-fair events held on fairgrounds for 2022 and 2023. The CBEA averages overnight visitors for the two years to calculate economic impacts.

Table 3.4: Estimated visitors in 2022 and 2023

Year	Period	Total Visitors	Visitors from > 50 mi. away	Visitors from > 100 mi. away
2022	Fair	18690	2479 (13.26%)	987 (5.28%)
	Non-fair	8455	2978 (35.22%)	1824 (21.57%)
	Total	27145	5457 (20.10%)	2811 (10.36%)
2023	Fair	18534	2726 (14.71%)	1229 (6.63%)
	Non-fair	9315	3399 (36.49%)	1991 (21.38%)
	Total	27849	6125 (21.99%)	3220 (11.56%)

⁴ IMPLAN also has an industry for limited-service restaurants, but the spending patterns for the two industries are very similar. Thus, it does not materially impact the economic impact estimates to include limited-service restaurants.

⁵ There are many difficulties in measuring who is or is not a tourist and therefore should be counted when assessing the economic impacts of visitors. Due to data limitations, the CBEA must use the simple definitions presented in the text. For more information, see McCabe, S. (2009). Who is a tourist? Conceptual and theoretical developments. *Philosophical issues in tourism*, 37, 25.

3.4 FUTURE OPERATIONS

Estimating how the impacts of the WSF could change after enclosing the Silver Arena is primarily based on the increased revenues that are expected from hosting additional equine events reported by the WSF. The WSF estimates that additional equine events should generate between \$265,000 and \$350,000 additional revenue annually. The CBEA inputs these two figures as output to industry 504 – Other amusement and recreation industries to produce high and low estimates of the increase in economic impacts after enclosing the Silver Arena.

3.5 FUTURE VISITATION

Estimating how visitation will change following construction is based on the expected usage of the Silver Arena after it is enclosed. The WSF predicts that the Arena will primarily be used for equestrian events year-round. Currently, the nearby Pepsi Equine Center is used for some equestrian events, but its show arena is too small for some events. The Ford Pavilion, also on the WSF fairgrounds, hosts equine events during the winter months, but dirt must be brought in to cover the floor. Having a dedicated arena for equine events with proper ventilation that can be used year-round will greatly increase the capacity of the fairgrounds to host equine events.

Because it is unclear how many equine events the fairgrounds will be able to host after construction, the CBEA estimates how much each additional event will increase overnight visitation using information about an event already held at the fairgrounds. The WSF provided visitor estimates from one of the two Colorado Reigned Cowhorse Association (CRCA) events held at the fairgrounds. The CRCA estimates approximately 1,053 people attended their event. Assuming new equestrian events have the same percentage of overnight visitors as non-fair events in 2023 and that new equestrian events attract a similar number of visitors as the CRCA event means that each new event should attract between 225 and 384 new overnight visitors. Applying the economic impact results from Section 4.3 gives an estimate of how much economic impacts will increase for each additional equestrian event after enclosing the Silver Arena.

4 RESULTS

The following section presents the economic impact calculations for the WSF. All subsections report the results for employment, labor income, value added, and output. Employment gives an estimate of the number of FTE jobs supported by economic activity. This includes both employees and business operators. Labor income reports wages, salaries, and profits earned by business operators – including taxes. Value added represents the contribution to Gross State Product (GSP) by economic activity. Finally, output represents total sales in all industries generated by economic activity. The difference between value added and output is that output “double counts” economic activity that passes along a supply chain. For example, if a grocery store sells produce purchased from a local wholesaler which in turn purchased the produce from a local farmer, output sums the total cost of the produce at each step. Value added, however, only sums the markup to the

cost of the produce at each step. For this reason, value added is usually considered a better indicator of economic activity in a local area. Output is reported for completeness. In addition to employment, labor income, value added, and output, IMPLAN also calculates the impact on local, county, and state tax revenues, which are reported along with the economic impacts.

Results were calculated for Converse County and for all of Wyoming. Inspecting the results revealed that economic impacts are largely contained within Converse County, with only very small impacts to the rest of Wyoming. Additionally, impacts are primarily direct, with much smaller indirect and induced impacts. This is expected in a State with a relatively small, export-oriented economy. The CBEA chose to report only the impacts on Converse County.

4.1 FAIR OPERATIONS

Based on the annual budget provided by the WSF to the CBEA, the economic impact of the WSF's operations were estimated using IMPLAN. Table 4.1 shows how much the operations at the WSF contribute to employment, labor income, and value added each year in Converse County.

Table 4.1: Estimated economic impacts of current fair operations.

Impact Type	Employment	Labor Income	Value Added	Output
Direct	19.7	\$346,935	\$346,935	\$1,800,000
Indirect	3.47	\$251,482	\$328,282	\$692,263
Induced	0.75	\$30,829	\$74,543	\$124,309
Total	23.92	\$629,246	\$749,760	\$2,616,572

Table 4.2 shows how much operations at the WSF contribute to tax revenues each year at the local, county, state, and federal levels.

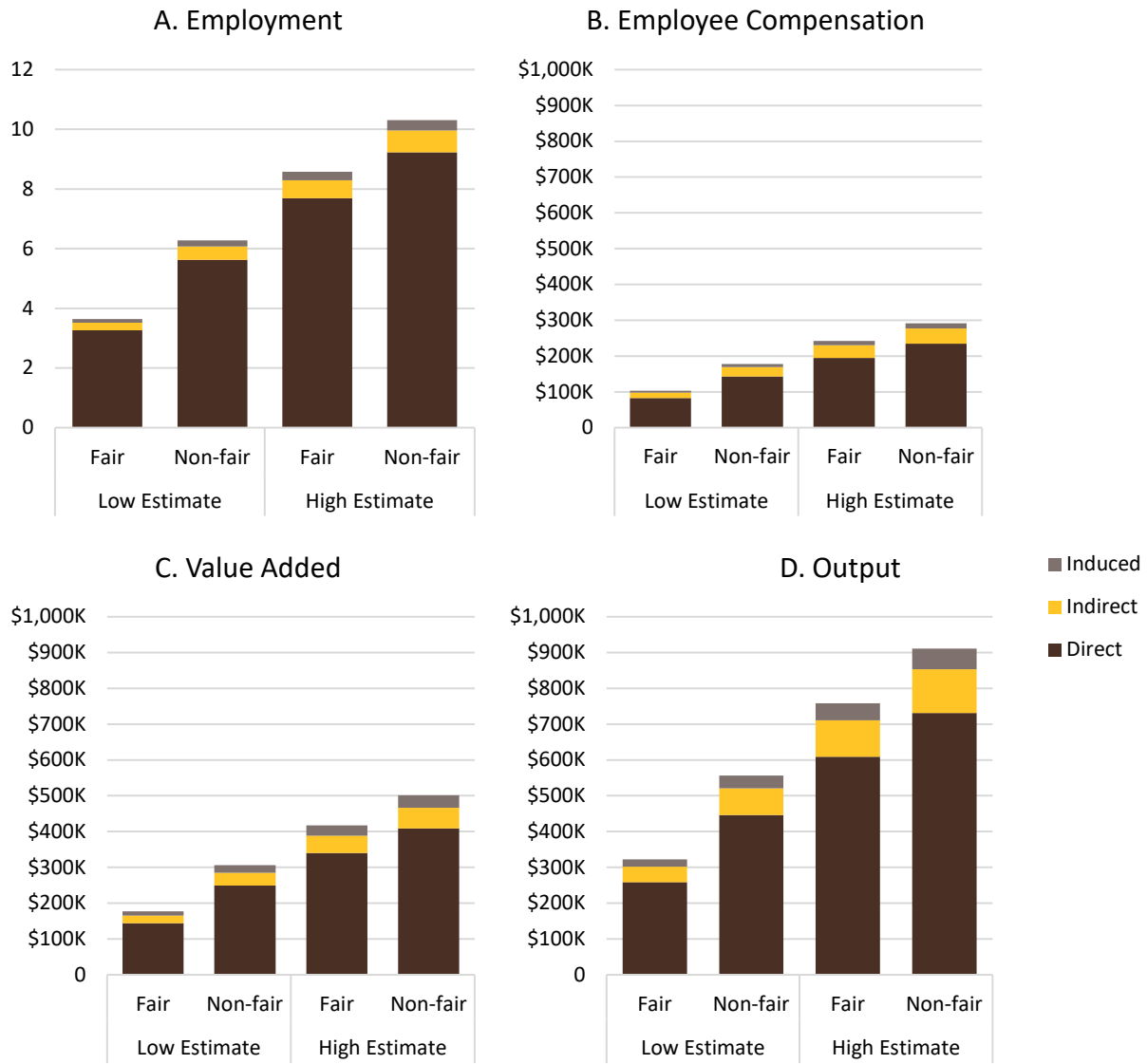
Table 4.2: Estimated tax revenue impacts of current fair operations

Impact Type	Local	County	State	Federal	Total
Direct	\$248	\$323	\$4,269	\$82,072	\$86,912
Indirect	\$3,715	\$4,009	\$8,159	\$53,867	\$69,750
Induced	\$2,231	\$2,384	\$4,156	\$8,524	\$17,294
Total	\$6,194	\$6,716	\$16,583	\$144,463	\$173,956

4.2 VISITORS

The economic activity generated by visitors to the WSF required several steps to calculate as outlined in Section 3.3. Spending per overnight visitors as estimated in Table 3.3 was multiplied by estimated overnight visitors in Table 3.4 to produce high and low estimates of visitor spending by visitors to the fair and to non-fair events held at the fairgrounds during the rest of the year. Visitor spending was then input into IMPLAN to estimate direct, indirect, and induced impacts.

Figure 4.1 reports the employment, labor income, value added and economic output results of IMPLAN modeling.



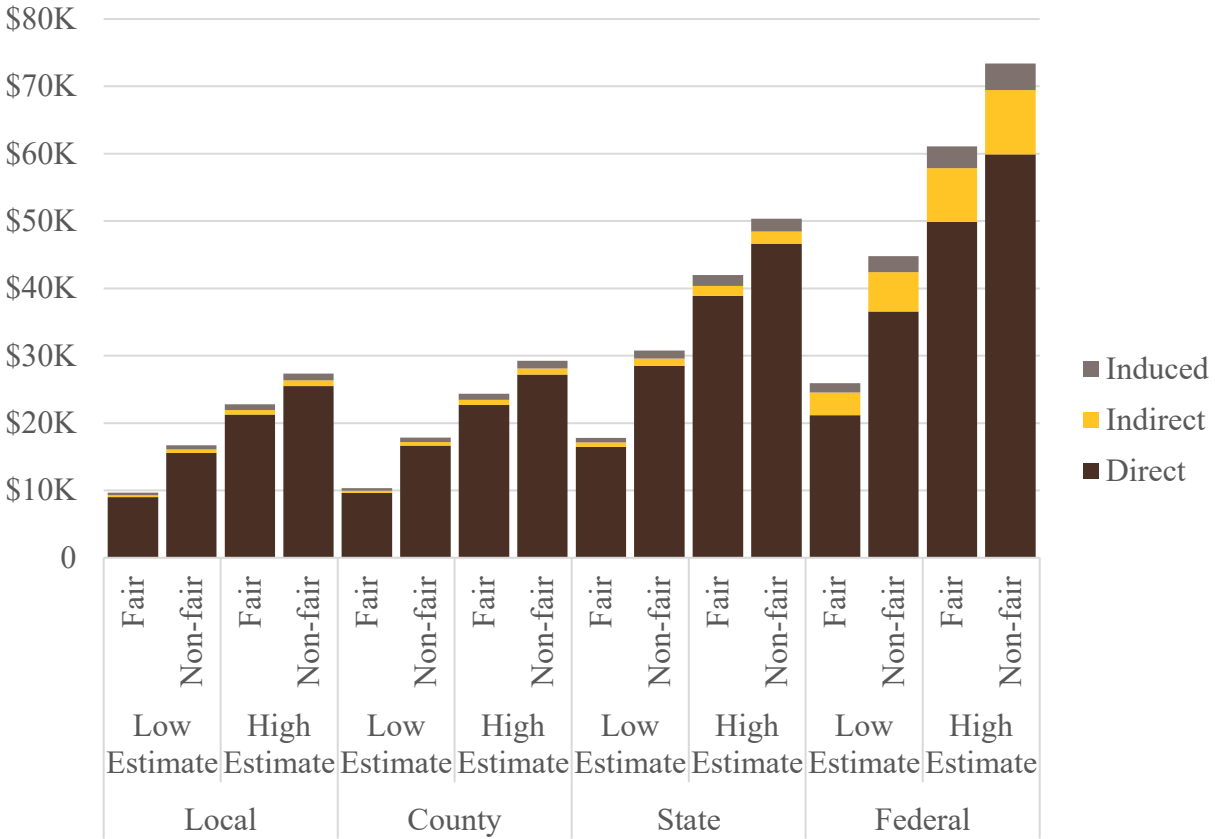


Figure 4.1: Estimated tax revenue impacts of overnight visitor spending.

Detailed tables of these results can be found in Appendix A.

4.3 CONSTRUCTION

Construction activity often generates significant temporary economic impacts as work is performed and the WSF is no exception. The WSF provided budgeting information for enclosing the Silver Arena, a project that is expected to cost more than \$20 million. Table 4.3 shows how much construction is expected to impact employment, labor income, value added, and output in Wyoming.

Table 4.3: Estimated temporary economic impacts of construction.

Impact Type	Employment	Labor Income	Value Added	Output
Direct	151.9	\$11,495,278	\$11,731,166	\$19,654,407
Indirect	8.44	\$510,909	\$761,382	\$1,621,919
Induced	15.83	\$646,177	\$1,563,800	\$2,607,734
Total	176.17	\$12,652,363	\$14,056,348	\$23,884,059

Table 4.4 shows how much construction is expected to contribute to tax revenues at the local, county, state, and federal levels.

Table 4.4: Estimated temporary tax revenue impacts of construction.

<u>Impact Type</u>	<u>Local</u>	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
Direct	\$53,041	\$58,638	\$194,254	\$2,545,663	\$2,851,597
Indirect	\$16,090	\$17,246	\$32,599	\$121,802	\$187,736
Induced	\$46,812	\$50,030	\$87,202	\$178,738	\$362,782
Total	\$115,943	\$125,914	\$314,056	\$2,846,203	\$3,402,115

Note that the results reported here are total economic impacts. If construction is expected to take more than a year, then total impacts should be divided by the number of years construction is expected to take to get annual impacts.

4.4 FUTURE OPERATIONS AND VISITATION

The WSF estimates that covering the Silver Arena will bring in an additional \$265,000 to \$350,000 in gross revenues. Using these values in IMPLAN produces high and low estimates of the economic impacts of the state fairgrounds. It is not possible to estimate exactly how much of the economic impacts in this section will occur during and outside of fair times. Nevertheless, because most of the additional horse events that can be hosted at the Silver Arena after enclosure will not be during fair time, it is reasonable to assume that much of the economic impacts estimated in this section will occur during non-fair events.

Table 4.5 shows the resulting estimated employment, labor income, value added, and output.

Table 4.5: Estimated economic impact of increased fair revenue following construction.

<i>A. Low Estimate</i>				
<u>Impact Type</u>	<u>Employment</u>	<u>Labor Income</u>	<u>Value Added</u>	<u>Output</u>
Direct	7.7	\$135,671	\$135,671	\$265,000
Indirect	0.31	\$22,377	\$29,196	\$61,559
Induced	0.19	\$7,647	\$18,441	\$30,756
Total	8.2	\$165,696	\$183,309	\$357,314
<i>B. High Estimate</i>				
<u>Impact Type</u>	<u>Employment</u>	<u>Labor Income</u>	<u>Value Added</u>	<u>Output</u>
Direct	10.17	\$179,189	\$179,189	\$350,000
Indirect	0.52	\$35,294	\$49,905	\$107,329
Induced	0.33	\$13,810	\$31,943	\$54,760
Total	11.03	\$228,293	\$261,037	\$512,089

Table 4.6 shows the estimated increase in tax revenues following the enclosure of the Silver Arena.

Table 4.6: Estimated tax revenue impacts of increased fair revenue following construction.

<i>A. Low Estimate</i>					
<u>Impact Type</u>	<u>Local</u>	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
Direct	\$97	\$126	\$1,669	\$32,095	\$33,988
Indirect	\$490	\$432	\$1,283	\$5,946	\$8,150
Induced	\$674	\$647	\$1,451	\$2,895	\$5,667
Total	\$1,261	\$1,205	\$4,403	\$40,935	\$47,805

<i>B. High Estimate</i>					
<u>Impact Type</u>	<u>Local</u>	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
Direct	\$128	\$167	\$2,205	\$42,390	\$44,889
Indirect	\$651	\$572	\$1,709	\$7,891	\$10,823
Induced	\$891	\$855	\$1,919	\$3,828	\$7,494
Total	\$1,671	\$1,594	\$5,833	\$54,109	\$63,206

It is difficult to estimate increased visitation due to enclosing the Silver Arena. Nevertheless, the impacts calculated in Section 3.5 can be used to show how much economic impact each additional overnight visitor to the fairgrounds brings to Wyoming by taking the impacts calculated and dividing by the number of visitors. Table 4.7 shows the economic impact per additional overnight visitor to the fairgrounds and Table 4.8 shows the tax impacts per additional overnight visitor.

Table 4.7: Estimated economic impact per additional overnight visitor.

<u>Impact Type</u>	<u>Employment</u>	<u>Labor Income</u>	<u>Value Added</u>	<u>Output</u>
Direct	0.003	\$75	\$130	\$233
Indirect	0.000	\$14	\$19	\$39
Induced	0.000	\$5	\$11	\$18
Total	0.005	\$129	\$225	\$403

Table 4.8: Estimated tax revenue impact per additional overnight visitor

<u>Impact Type</u>	<u>Local</u>	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
Direct	\$8	\$9	\$15	\$19	\$51
Indirect	\$0	\$0	\$1	\$3	\$4
Induced	\$0	\$0	\$1	\$1	\$3
Total	\$19	\$20	\$35	\$45	\$58

Applying these impacts to the estimated increase in visitation per equestrian event calculated in Section 3.5 gives high and low estimates of the economic impact of each additional equestrian event held on the fairgrounds as presented in Table 4.9 and Table 4.10.

Table 4.9: Estimated economic impact from overnight visitors for each additional equestrian event following construction.

<i>A. Low Estimate</i>				
<u>Impact Type</u>	<u>Employment</u>	<u>Labor Income</u>	<u>Value Added</u>	<u>Output</u>
Direct	0.66	\$16,816	\$29,337	\$52,512
Indirect	0.05	\$3,080	\$4,178	\$8,789
Induced	0.02	\$1,020	\$2,466	\$4,113
Total	0.74	\$20,917	\$35,982	\$65,415

<i>B. High Estimate</i>				
<u>Impact Type</u>	<u>Employment</u>	<u>Labor Income</u>	<u>Value Added</u>	<u>Output</u>
Direct	1.13	\$28,701	\$50,071	\$89,624
Indirect	0.09	\$5,258	\$7,132	\$15,001
Induced	0.04	\$1,742	\$4,209	\$7,020
Total	1.26	\$35,700	\$61,412	\$111,645

Table 4.10: Estimated tax revenue impact from overnight visitors for each additional equestrian event following construction.

<i>A. Low Estimate</i>					
Impact Type	Local	County	State	Federal	Total
Direct	\$1,830	\$1,954	\$3,349	\$4,300	\$11,432
Indirect	\$61	\$65	\$129	\$687	\$942
Induced	\$74	\$79	\$137	\$282	\$572
Total	\$4,317	\$4,610	\$7,900	\$10,133	\$12,946

<i>B. High Estimate</i>					
Impact Type	Local	County	State	Federal	Total
Direct	\$3,123	\$3,335	\$5,715	\$7,339	\$19,512
Indirect	\$103	\$111	\$220	\$1,173	\$1,607
Induced	\$126	\$135	\$235	\$481	\$977
Total	\$7,368	\$7,869	\$13,483	\$17,294	\$22,096

The following section discusses the interpretation and limitations of the findings.

5 DISCUSSION

5.1 INTERPRETATION

When considering the economic impacts of fair operations and visitation, it is not appropriate to sum the two figures together to get a “total” economic impact. Some of the spending by overnight visitors is spent on the fairgrounds in the form of admission fees, concessions, lodging (RV hookup sites), and other spending that is collected by the fairgrounds as part of its operating budget. Therefore, summing operations impacts and visitor spending impacts would double-count some impacts. Without more precise information about visitor spending at the fairgrounds, it is not possible to know how much is double counted and each estimate should remain separate.

It is also important to put the impacts estimated here into their economic context. Because Converse County – and most of Wyoming – is rural, individual businesses and entities can have an outsized impact on the local economy. For example, WSF operations support approximately 20 FTE jobs. Total employment in Converse County was 8,943 in 2022.⁶ This means that the WSF supports approximately 0.21% of the jobs in Converse County. For comparison, an entity that with a similar percentage impact in Denver County, CO would support 883 jobs.⁷

5.2 LIMITATIONS

⁶ Retrieved from IMPLAN. Based on American Community Survey and US Census data.

⁷ Based on total employment for Denver County, CO of 429,465 from the American Community Survey 1-Year Estimates, 2022. <https://data.census.gov/table/ACSDP1Y2022.DP03?g=050XX00US08031>.

There are several limitations to economic impact analysis that must be considered when using the findings of this study to inform policy. First, this economic impact analysis does not account for opportunity costs as it does not look at alternative uses of funds. The findings in this report should be carefully weighed against other options when considering policy. Second, economic impact modeling relies on assumptions to hold in order for results to be accurate. See Appendix B for a list of these assumptions and for more information on how indirect and induced impacts are calculated.

There are also limitations in calculating initial impacts that should be considered in each of the estimates presented in this report. First, in reporting the impacts of fair operations, the CBEA must make an assumption about the spending profile of the WSF. IMPLAN uses a system of 546 industry categories to estimate indirect and induced spending impacts. Each industry has a built-in spending pattern that allocates each \$1 of income to spending in other industries, wages & salaries, proprietor income, and other allocations. The CBEA applies the WSF's budget to the spending pattern of IMPLAN industry 504 – other amusement and entertainment industries. However, it is possible that the WSF's spending is unique enough that this spending pattern is inaccurate.

Second, in construction impacts the CBEA does not know the timeline of enclosing the Silver Arena, so annual impacts cannot be calculated. To estimate annual impacts, the total impacts reported here should be divided by the number of years it will take to complete construction.

Third, visitor impacts are based on assumptions in both overnight visitor estimates and visitor spending estimates. Overnight visitors are estimated using distance from home ZIP code as a metric – visitors from more than 50 miles away and visitors from more than 100 miles away. However, many visitors likely travelled 50 or 100 miles and return home the same day. Other visitors may have traveled less than 50 or 100 miles and stayed overnight. Using both visitors from more than 50 miles away and visitors from more than 100 miles away reduces the risk of inaccurately estimating overnight visitors by providing a range of possible impacts but does not eliminate it.

Visitor spending should also be interpreted with care. The CBEA must rely on visitors spending estimated from sources that are more general than visitors to the fairgrounds, in this case the visitor spending information estimated in the Dean Runyan report. While visitor spending in Converse County in the Dean Runyan report includes visitors to the WSF, it also includes visitors that are there for all other travel and tourism. The CBEA must assume that the Dean Runyan spending estimates are applicable to visitors to the fairgrounds, but it is possible that the spending profile of visitors to the fairgrounds is unique enough that the estimates reported here are inaccurate. Like the assumptions in estimating overnight visitors, reporting high and low estimates of economic impacts reduces this risk but does not eliminate it.

Another issue that should be considered when interpreting visitor impacts is the causal connection between the WSF and other fairground events and visitor spending. The visitor

impacts calculated by the CBEA are impacts attributed to visitors to Converse County who visited the fairgrounds, not from people who visited Converse County *because* of the fairgrounds. That is, 100% of the economic impacts of visitor spending are not necessarily directly attributable to the WSF and other fairground events. It is possible that a portion of the impacts calculated here are from visitors who would have gone to Converse County and spent the same amount regardless of the existence of the fairgrounds. Nevertheless, the fairgrounds are a major attraction in Converse County, so it is likely that much of the visitor impacts calculated here are due to the fairgrounds' presence.

A final consideration in discussing the economic impacts of overnight visitors is the exclusion of spending by day-trip visitors. Some visitors may choose to travel to the fairgrounds from outside Converse County and then return home without staying overnight. Due to data limitations in the Dean Runyan report, spending by these individuals is not estimated here. Although spending by day-trippers tends to be much smaller than spending by overnight visitors, the economic impacts due to visitor spending estimated in this report may be underestimated – though the other limitations listed above should also be taken into consideration.

Future impacts are subject to the same assumptions as the impacts on operations and visitation. The increase in future operating impacts use the same IMPLAN industry spending pattern as estimating current economic impacts. The estimated increase in impacts from visitor spending for each additional equestrian event use the same assumptions as calculating current visitor spending impacts.

An additional assumption that must hold for future operating expenditures is that increasing operating revenues by adding equestrian events does not result in decreased revenues elsewhere. This may be the case, for example, if the Wyoming State Legislature decreases funding for the WSF in response to the increase in revenues from additional equestrian events. Not only would decreasing revenues from other sources reduce the estimated future economic impacts from operations but may also reduce impacts from visitors as the WSF may be forced to offer reduced services in other events to accommodate a reduced budget.

6 CONCLUSION

This report estimated the economic impact of the WSF and other events held on the fairgrounds. Although the results should be interpreted with caution, both fair operations and visitor spending contribute significantly to the economy of Converse County. In addition, construction on the Silver Arena will bring significant temporary economic impacts to Converse County and increase the economic impact of the fairgrounds through increased spending by both the WSF and visitors.

When including direct, indirect, and induced impacts, the WSF currently supports 24 FTE jobs, \$629,246 in labor income, \$749,760 in value added, \$2,616,572 in output, \$29,493 in local, county, and state tax revenue, and \$144,463 in federal tax revenue. Visitors to the WSF and non-fair events support 4 to 9 FTE jobs, \$102,945 to \$242,583 in labor income, \$177,089 to \$417,276 in value added, \$321,942 to \$758,545 in output, \$37,784 to \$89,132 in local, county, and state

tax revenue, and \$25,933 to \$61,112 in federal tax revenue. Construction on the Silver Arena is expected to temporarily support 176 FTE jobs, \$12,652,363 in labor income, \$14,056,348 in value added, \$23,884,059 in output, \$555,913 in local, county, and state tax revenue, and \$2,846,203 in federal tax revenue.

Once construction is completed the WSF expects an additional \$265,000 to \$350,000 in revenue. Additional revenues are estimated to support an additional 8 to 11 FTE jobs, \$165,696 to \$228,296 in labor income, \$183,309 to \$261,037 in value added, \$357,314 to \$512,089 in output, \$6,870 to \$9,097 in local, county, and state tax revenue, and \$40,935 to \$54,109 in federal tax revenue. Each additional equestrian event held at the fairgrounds after enclosing the Silver Arena is expected to attract between 225 and 384 visitors. Visitor spending is expected to increase impacts by 0.74 to 1.26 in FTE jobs, \$20,917 to \$35,700 in labor income, \$35,982 to \$61,412 in value added, \$65,415 to \$111,645 in output, \$7,677 in local, county, and state tax revenue, and \$5,269 to \$8,993 in federal tax revenue.

APPENDIX A DETAILED TABLES OF VISITOR IMPACTS

Table 6.1: Estimated impact of overnight visitor spending on labor income

<i>A. High Estimate</i>				
<u>Period</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Fair	7.69	0.6	0.29	8.58
Non-Fair	9.23	0.73	0.35	10.31
Total	16.92	1.33	0.64	18.89

<i>B. Low Estimate</i>				
<u>Period</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Fair	3.26	0.26	0.12	3.64
Non-Fair	5.63	0.44	0.21	6.28
Total	8.89	0.7	0.33	9.92

Table 6.2: Estimated impact of overnight visitor spending on labor income

<i>A. High Estimate</i>				
<u>Period</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Fair	\$195,028	\$35,721	\$11,834	\$242,583
Non-Fair	\$234,178	\$42,896	\$14,210	\$291,284
Total	\$429,205	\$78,617	\$26,044	\$533,867

<i>B. Low Estimate</i>				
<u>Period</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Fair	\$225,741	\$15,161	\$5,022	\$102,945
Non-Fair	\$142,978	\$26,188	\$8,676	\$177,842
Total	\$225,741	\$41,349	\$13,698	\$280,787

Table 6.3: Estimated impact of visitor spending on value added.

<i>A. High Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$340,223	\$48,450	\$28,603	\$417,276
Non-Fair	\$408,535	\$58,184	\$34,345	\$501,064
Total	\$748,758	\$106,634	\$62,948	\$918,340

<i>B. Low Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$144,386	\$20,565	\$12,138	\$177,089
Non-Fair	\$249,423	\$35,519	\$20,969	\$305,912
Total	\$393,809	\$56,084	\$33,107	\$483,000

Table 6.4: Estimated impact of visitor spending on output

<i>A. High Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$608,929	\$101,918	\$47,699	\$758,545
Non-Fair	\$731,232	\$122,390	\$57,275	\$910,898
Total	\$1,340,161	\$224,309	\$104,974	\$1,669,443

<i>B. Low Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$258,443	\$43,257	\$20,242	\$321,942
Non-Fair	\$446,414	\$74,718	\$34,969	\$556,100
Total	\$704,856	\$117,975	\$55,211	\$878,042

Table 6.5: Estimated impact of visitor spending on local tax revenue

<i>A. High Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$21,248	\$702	\$856	\$22,805
Non-Fair	\$25,494	\$843	\$1,028	\$27,365
Total	\$46,742	\$1,545	\$1,883	\$50,170

<i>B. Low Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$9,006	\$298	\$363	\$9,667
Non-Fair	\$15,578	\$514	\$627	\$16,720
Total	\$24,584	\$812	\$991	\$26,387

Table 6.6: Estimated impact of overnight visitor spending on county tax revenue

<i>A. High Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$22,690	\$755	\$915	\$24,360
Non-Fair	\$27,225	\$907	\$1,098	\$29,230
Total	\$49,915	\$1,661	\$2,013	\$53,589

<i>B. Low Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$9,617	\$320	\$388	\$10,326
Non-Fair	\$16,636	\$553	\$671	\$17,860
Total	\$26,253	\$874	\$1,059	\$28,185

Table 6.7: Estimated impact of overnight visitor spending on state tax revenue

<i>A. High Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$38,879	\$1,494	\$1,594	\$41,967
Non-Fair	\$46,651	\$1,794	\$1,914	\$50,359
Total	\$85,530	\$3,287	\$3,509	\$92,326

<i>B. Low Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$16,480	\$634	\$677	\$17,791
Non-Fair	\$28,505	\$1,095	\$1,169	\$30,769
Total	\$44,985	\$1,729	\$1,845	\$48,559

Table 6.8: Estimated impact of overnight visitor spending on total tax revenue

<i>A. High Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$49,870	\$7,970	\$3,271	\$61,112
Non-Fair	\$59,880	\$9,571	\$3,928	\$73,379
Total	\$109,749	\$17,542	\$7,200	\$134,491

<i>B. Low Estimate</i>				
Period	Direct	Indirect	Induced	Total
Fair	\$21,162	\$3,383	\$1,388	\$25,933
Non-Fair	\$36,561	\$5,843	\$2,398	\$44,802
Total	\$57,723	\$9,226	\$3,787	\$70,735

APPENDIX B ECONOMIC IMPACT ANALYSIS

Economic impact analyses are a widely accepted research approach used to better comprehend how the operations of an economic entity impact the economy as a whole. They are also used to study how a new event or a change in an industry changes local and state economies. These analyses typically use input-output methodologies to re-create inter-industry linkages and calculate the impact on a regional economy.

We used the Impact Analysis for PLANning (IMPLAN) (version 3.1) software package to conduct our analysis. This software package allows us to estimate the current impacts of the MMM and the expected effects of increased visitor volumes and spending after renovations at the MMM in terms of employment, labor income, value added (i.e., increase in Sublette County's gross domestic product (GDP)), and total output (i.e., total economic impact to the county and state).

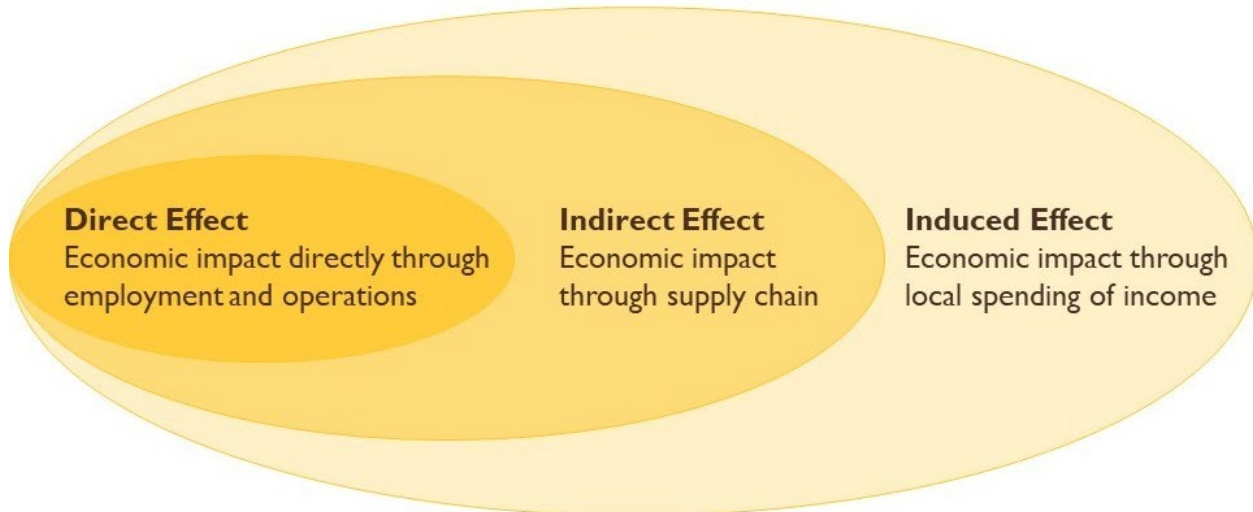


Figure B-1: Total economic impact is the sum of direct, indirect, and induced effects.

Modeling the economic impacts of this project requires the examination of three distinct types of effects. To illustrate, the museum directly supports 6.4 full-time equivalent jobs. These jobs, and their associated compensation and output, are what we refer to as the direct effect. Beyond this initial effect, there will also be an increase in the demand for intermediate goods needed to supply the museum. This is called the indirect effect. Further, the additional income of workers within the museum industry will lead to added economic activity in terms of buying goods and services, which, in turn, creates new economic activity in a region. In other words, individuals' spending will induce more spending, which we refer to as the induced effect. The total impact is the sum of direct, indirect, and induced effects, as illustrated in Figure A.1. In sum, an exogenous *direct* increase in economic activity in a geographic area creates a ripple effect in the economy. A.2 display lists of additional economic impact analysis terminology used in this report.

Table B-1: Economic impact analysis terminology.

Variable	Definition
Employment	Employment refers to an industry-specific mix of full-time, part-time, and seasonal jobs. Expressed as full-time equivalents (FTE).
Labor Income	Labor income refers to all forms of employment income, including employee compensation (i.e., wages, salaries, and benefits) and proprietor income.
Value Added	Value added is the difference between an industry's total output and the cost of its intermediate inputs; it is a measure of the contribution to GDP.
Output	Output is the value of production by industry in a calendar year. It can also be described as annual revenues plus net inventory change. It is often referred to as total economic impact.
Multipliers	Multipliers describe how, for a given change in a particular industry, a resulting change will occur in the overall economy. For instance, employment multipliers describe the total jobs generated as a result of one job in the target industry.

Economic impact analyses make some key assumptions about the industry and firm, as well as how the “ripple effects” of these changes reverberate throughout the economy. Below, in Table A1.2, a brief outline of these assumptions and the resulting implications is provided.

Table B-2: Economic impact analysis assumptions.

Assumption	Description
Constant Returns to Scale	The quantity of inputs needed per unit of output does not change.
No Supply Constraints	Input-output methodology assumes that there are no restrictions to inputs, raw materials, or labor needed to produce an unlimited quantity of output.
Fixed Input Structure	Changes in the economy may impact the industry's level of output, but do not impact the mix of commodities and services the industry requires to produce that output.
Fixed Technology	The same technology is used to produce each of the industry's products.
Constant Byproduct Coefficients	This is required by the fixed technology assumption. An industry will produce the same mix of goods or services regardless of the level of production.
Static Model (does not model changes over time)	The model does not include price changes and general equilibrium effects are not accounted for.